



Heather Shirley Smith
Deputy General Counsel

Duke Energy
40 W. Broad Street
Suite 690
Greenville, SC 29601

o: 864.370.5045
f: 864.370.5183

heather.smith@duke-energy.com

November 8, 2018

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia SC 29210

**Re: Application of Duke Energy Carolinas, LLC for Adjustments in Electric
Rate Schedules and Tariffs and Request for Accounting Order
Docket No.: 2018-319-E**

Dear Mrs. Boyd:

Pursuant to S.C. Code Ann. § 58-27-860, by letter dated October 8, 2018, Duke Energy Carolinas, LLC (the "Company") notified the Public Service Commission of South Carolina (the "Commission") of its intent to file an application seeking adjustments in the Company's electric rate schedules and tariffs. The mandatory notice period of thirty days has now expired. Therefore, enclosed for filing in the above-referenced docket is the Company's Application for Adjustments in Electric Rate Schedules and Tariffs and Request for an Accounting Order ("Application").

For regulatory accounting purposes, the Application also includes a request for an accounting order, pursuant to S.C. Code Ann. § 58-27-1540 and 26 S.C. Code Ann. Reg. 103-825 for approval to: (1) continue the deferral for coal ash basin closure compliance costs; (2) establish a regulatory asset to recover the balance of nuclear development costs; (3) adopt new depreciation rates and defer in a regulatory asset the incremental depreciation expense resulting from the new depreciation rates; (4) continue the deferral for ongoing grid improvement costs until such costs are included in customer rates; and (5) establish reserves for end of life nuclear costs as further explained in the Application.

Enclosed along with the Application is the Direct Testimony of the following witnesses on behalf of the Company:

1. Kodwo Ghartey-Tagoe
2. Steven D. Capps
3. James H. Cowling

The Honorable Jocelyn G. Boyd

November 8, 2018

Page 2

4. Nils J. Diaz
5. David L. Doss, Jr.
6. Christopher M. Fallon
7. Janice Hager
8. Robert Hevert
9. Retha Hunsicker
10. Jon F. Kerin
11. Kimberly D. McGee
12. Joseph A. Miller, Jr.
13. Jay W. Oliver
14. John Panizza
15. Michael J. Pirro
16. Donald Schneider, Jr.
17. Kim H. Smith
18. John L. Sullivan, III
19. Dr. Julius A. Wright

By copy of this letter, the Company is also serving the South Carolina Office of Regulatory Staff and South Carolina Department of Consumer Affairs with the enclosed verified Application, Direct Testimony and Exhibits. Please do not hesitate to contact me if you have any questions or require any further information.

Sincerely,



Heather Shirley Smith

Enclosure

cc: Nanette Edwards, Esq., Office of Regulatory Staff
Dawn Hipp, Office of Regulatory Staff
Jeffrey M. Nelson, Esq., Office of Regulatory Staff
Ms. Carri Grube Lybarker, Esq., SC Department of Consumer Affairs
Ms. L. Becky Dover, Esq., SC Department of Consumer Affairs